

The Fund owns State coupon bonds (6 per cent.) dated prior to May 20, 1861, and on Jan. 1, 1866, amounting to \$20,600. On July 1, 1868, there were due coupons amounting to \$984 00, which have been funded in accordance with an act of the General Assembly, ratified the 26th day of February, A. D., 1867.

The amount derived annually from tax on auctioneers, and from entries of vacant lands, is about \$1,500.

The amount paid by Sheriffs, as tax on retailers from October 1st, 1867, to October 1st, 1868, was \$6,762 50.

The annual income of the Educational Fund from all sources is about \$32,982 70.

A sad diminution! Prior to 1861, hundreds of thousands of dollars found their way into this treasury, and were distributed over the State, conferring upon not less than one hundred thousand white children the blessings of the free school.

Instead of a great fund for the support of public schools, henceforth for a long time the people of the State must be taxed for this purpose. In the aggregate, the tax may appear large and onerous. But, scanned in detail, *per capita*, it will be seen to be small. But, whether large or small, ignorance is a far heavier tax than education. A State can afford to be poor, but cannot afford to be ignorant.

II. STOCKS.

The condition and value of the stocks owned by the Board should receive from the authorities of the State careful consideration :

1st. Bank Stock.—This amount, \$1,047,100, is supposed to be nearly, or quite worthless. The Bank of North Carolina and the Bank of Cape Fear have suspended operations, and profess to be bankrupt.

I would respectfully suggest that means be immediately taken by the General Assembly to subject the affairs of these institutions to a rigid examination; that the respective Direc-